LEGISLATIVE ASSEMBLY.

TWENTY-THIRD DAY.

Thursday, 31st May 1951.

The Assembly met in the Assembly Hall, Old Public Offices, Bangalore, at Ten Minutes past One of the Clock.

Mr. Speaker (The Hon'ble Sri V. Venkatappa) in the Chair.

STARRED QUESTIONS.

(to which oral answers were given)

MR. SPEAKER (The Hon'ble Sri V. Venkatappa).—Question No. 189. Sri A. G. Ramachandra Rao.

Transferring certain Government Industrial Concerns to private individuals and Government taking up new ventures.

*Q.—189. **Sri A. G. RAMACHANDRA RAO** (Hassan District—General).—

Will the Government be pleased to state :—

(*a*) the names and number of industries, whose capital is less than Rs. 10 lakhs in which Government have more than 51 per cent of capital or are controlled and managed by Government;

(*b*) whether they have at any time thought of transferring them to private individuals and taking up new ventures;

(*c*) whether they have formulated any policy in the matter ?

*A.—**The Hon'ble Sri H. C. DASAPPA** (Minister for Finance and Industries).—

(*a*) Six, namely—

(1) The Mysore Implements Factory, Hassan.

(2) The Government Dichromate Factory, Belagula.

(3) The Government Soap Factory, Bangalore.

(4) The Central Industrial Workshop, Bangalore.

(5) The Government Silk Filatures, Kankanhalli.

(6) The Government Silk Weaving Factory, Mysore.

(*b*) and (*c*) The desirability of gradually transferring the ownership and management of some of the Government Industrial Concerns to Joint Stock Companies is under the consideration of Government. No decision has yet been taken in regard to the number or nature of the concerns to be so transferred or the terms and conditions of transfer nor has any general policy been formulated in the matter.

Sri A. G. RAMACHANDRA RAO.—May I presume that these six industries are neither basic nor classified as essential ?

The Hon'ble Sri H. C. DASAPPA.—They may not be classified as key or basic, but they certainly are essential.

Sri A. G. RAMACHANDRA RAO.—In the ordinary sense I mean industries are classfied as basic or essential. Do they come technically under that ?

The Hon'ble Sri H. C. DASAPPA.—They may not be basic or key Industries.

Sri A. G. RAMACHANDRA RAO.—These industries were started with the view that they might be developed and handed over to private people and fresh industries might be taken up, is it not ?

The Hon'ble Sri H. C. DASAPPA.—Not all. Take the case of the Central Industrial Workshop. There is no idea of making it over to a private agency, nor the Government Dichromate Factory which was started during the war at the instance of the Government of India. So some of them no doubt were started with the idea that the Hon'ble Member has just now expressed.

Sri A. G. RAMACHANDRA RAO.— So—industries Nos. 1, 3, 5 and 6 could easily come under that category, namely, that they would be developed and then handed over to private agencies?

The Hon'ble Sri H. C. DASAPPA.— Roughly.

Sri A. G. RAMACHANDRA RAO.— Have these industries been in existence for over a decade or two?

The Hon'ble Sri H. C. DASAPPA.— Yes.

Sri A. G. RAMACHANDRA RAO.— Are they in a fit condition to be handed over to private agencies?

The Hon'ble Sri H. C. DASAPPA.— Yes.

Sri A. G. RAMACHANDRA RAO.— How many cases of industrial concerns are under the consideration of Government for being transferred to private agencies?

The Hon'ble Sri H. C. DASAPPA.— In the case of one or two, they were under consideration some time back before we came to power. As regards the others we are now considering what to do with them.

Sri V. M. MASCARENHAS (Bangalore Retroceded Area—General).—In the last session, the Government promised to consider the question of defining the policy in this connection. Has any definite action been taken since by the Government in this regard?

The Hon'ble Sri H. C. DASAPPA.— We have received Sri Kasturbhai Lalbhai's report and recently Sri Gorwall came here and he is also looking into this matter and I think he will be submitting a report shortly to the Government of India. We will take all those points into consideration and decide.

Sri V. M. MASCARENHAS.—Is it possible to give a rough idea as to when.....

The Hon'ble Sri H. C. DASAPPA.— We do not want to have any kind of schedule to do this. There are various circumstances as the Hon'ble Member will know, that will have to be taken into consideration. Supposing a concern is flourishing very well. The question will arise as to why we should lose the profits that the concern is giving to the Government. If it is not faring very well, the question again will arise that it may not be very wise or profitable to transfer it to a private concern because it may not fetch as much return and it may be better to rehabilitate that. So there are various considerations, but the general policy is there.

Sri V. M. MASCARENHAS.—Is it not better for them once for all to make up their mind and tell the public the action that is proposed to be taken, instead of keeping them under suspense?

The Hon'ble Sri H. C. DASAPPA.— No question of suspense arises. The Government is the owner of the concern. I think the choice, as to the time and the manner of transferring the industries must be left to the Government even as a private person would be exercising his own discretion as to when he should like to part with any property of his.

Sri A. BHEEMAPPA NAIK (Chitaldrug District—General).—What about the buildings in which these industries are located? Will they also be transferred or sold away?

The Hon'ble Sri H. C. DASAPPA.— Nothing has been decided upon. That is a point that will give rise to a problem.

Sri A. BHEEMAPPA NAIK.—I am particularly referring to the area near the Soap Factory.

The Hon'ble Sri H. C. DASAPPA.— That is why I said that that will create a problem which we have got to solve.

Sri A. BHEEMAPPA NAIK.—Will the Hon'ble Minister consider the feasibility of retaining that area since it is located very close to the Technological Institute which in due course might develop to a greater extent?

Mr. SPEAKER.—The Hon'ble Member is making a representation.

Sri A. BHEEMAPPA NAIK.—Is he considering that aspect?

The Hon'ble Sri H. C. DASAPPA.— I can assure the Hon'ble Member that there is no idea of giving away the premises of the Soap Factory because the Government themselves have an idea of transferring the Soap Factory to the new site in the Industrial Suburb.